

Theater Battle Management Core System (TBMCS)

Alternative Dispute Resolution

Memorandum of Agreement

Between

**The Department of The Air Force,
Electronic Systems Center**

And

**Lockheed Martin Corporation
d/b/a Lockheed Martin Mission Systems**

1. The Department of the Air Force (Air Force), Electronic Systems Center (ESC), and Lockheed Martin Corporation, d/b/a Lockheed Martin Mission Systems (LM-MS), (collectively the Parties) have entered into contract number F19628-95-C-0143 to acquire a Theater Battle Management Core System (TBMCS). The Parties share the objective of supplying America's war fighters with technologically advanced and reliable systems and equipment in a timely manner and at a reasonable price to promote swift, safe and successful accomplishment of the national defense mission. This contract contains the "Disputes" clause (52.233-1) which implements the *Contract Disputes Act of 1978*. However, as contemplated by FAR 33.214, the Parties also recognize that Alternative Dispute Resolution (ADR) procedures in involving collaborative techniques can be used as an alternative to Disputes Clause procedures in order to avoid the disruption and high cost of litigation which detracts from mission accomplishment.
2. The Parties agree that they will try to resolve all issues in controversy arising under or related to the contract by negotiation and mutual agreement at the contracting officer's level. If negotiations reach an impasse, the Parties agree to use to the maximum extent feasible one or more of the ADR processes contemplated by FAR 33.214 to reduce or eliminate the need for litigation. The Parties further agree that any ADR process must be structured to allow sufficient time to exchange and analyze any information necessary to obtain and justify a settlement.
3. Consistent with FAR 33.214, in cases where the Parties decide to use ADR, the Parties will prepare and agree to a specific, written ADR agreement appropriate to the controversy, which will constitute their voluntary election to use an ADR process in lieu of formal litigation, such agreement being mutually agreed to before the ADR process begins. The agreement should normally address the following (as appropriate): authorized representatives for each Party; ADR techniques and processes to be utilized, procedures to be followed; specify a maximum award that may be issued by the arbitrator (as well as any other conditions limiting the range of possible outcomes), and state agreement that the process shall or shall not result in a decision binding on the Parties. Methods for the exchange of information; a schedule and procedures for any discovery proceedings, including how to limit discovery/factual exchange; appointment and payment of arbitrators; whether and to what extent to stay or suspend any pending

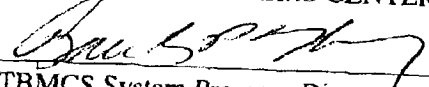
litigation; possible audit requirements; confidentiality, at what point the Parties will begin negotiations; and a provision for termination of the agreement shall also be covered..

4. If the contracting officer rejects a contractor's request to use ADR proceedings, the contracting officer shall provide the contractor a written explanation citing one or more of the conditions in 5 U.S.C. 572(b) or such other specific reasons that ADR procedures are inappropriate for the resolution of the dispute. See 41 U.S.C. 605(e) & FAR 33.214(b). In any case where a contractor rejects the government's request to use ADR proceedings, the contractor shall inform the agency in writing of the contractor's specific reasons for rejecting the request.

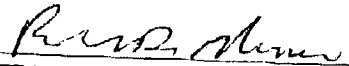
5. It is not the intent of the Parties that this agreement alter, supplement or deviate from the terms and conditions of the Contract between the Parties, or the legal rights and obligations of the Parties set forth therein. Any changes to the Contract must be executed in writing by authorized contracting officials.

6. In the event either Party believes a particular issue is not well-suited to ADR, the Party shall so state in its notice of rejection of ADR as provided for in paragraph 4, above. In the event that a non-binding process and procedures have been elected by the Parties, and the Party becomes dissatisfied with progress being made in a particular ADR proceeding, that Party may, after good faith efforts to resolve the issue, elect to abandon the ADR process and proceed as otherwise provided under contract, regulation or statute. Nothing in this Agreement shall be deemed to prevent either Party from preserving and exercising its legal rights and remedies during the ADR process.

DEPARTMENT OF THE AIR FORCE
ELECTRONIC SYSTEMS CENTER:

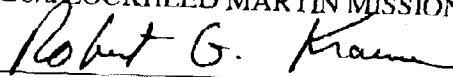

TBMCS System Program Director

27 Aug 99
Date


TBMCS Contracting Officer

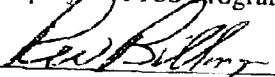
26 Aug 99
Date

LOCKHEED MARTIN CORPORATION
d/b/a LOCKHEED MARTIN MISSION SYSTEMS:


Robert G. Krause

8/24/99
Date

Deputy TBMCS Program Manager


Susan C. Cagle, Contract Manager

8/25/99
Date

For Contract Manager, Aerospace Information
Operations